

Department of Social and Health Services

DP Code/Title: PL-6E DSH Disallowance
Program Level - 080 Medical Assistance

Budget Period: 2001-03 Version: H3 080 2001-03 2003 Sup Agency Req

Recommendation Summary Text:

As required by section 1902(a)(13)(A) of the Social Security Act, the Medical Assistance Administration (MAA) gives consideration to hospitals, which serve a disproportionate share of low-income clients with special needs (Disproportion Share Hospital payment or DSH). A payment adjustment is provided to eligible hospitals following rules and guidelines outlined in WAC 388-550-4900.

The Office of the Inspector General (OIG) conducted an audit of this program for State Fiscal Year 1999 and has identified \$27,000,000 in federal monies that may need to be refunded (Report Number A-10-01-00001 Federal Report Date September 2002).

Fiscal Detail:

Operating Expenditures

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	0	27,000,000	27,000,000
Total Cost	0	27,000,000	27,000,000

Staffing

Package Description:

As required by section 1902(a)(13)(A) of the Social Security Act, the Medical Assistance Administration (MAA) gives consideration to hospitals, which serve a disproportionate share of low-income clients with special needs (Disproportion Share Hospital payment - DSH). A payment adjustment is provided to eligible hospitals following rules and guidelines outlined in WAC 388-550-4900.

The Office of the Inspector General (OIG) conducted an audit of this program for State Fiscal Year 1999 and has identified \$27,000,000 in federal monies that may need to be refunded (Report Number A-10-01-00001 Federal Report Date September 2002). OIG has referred this to the Center for Medicare & Medicaid Services (CMS) for possible recoupment. The state has used federal DSH funds to maintain health care programs for more than a decade. This reduction would significantly reduce the amount of federal funds available to the state. MAA is looking at recommended changes to DSH programs and does not have a final determination from CMS.

Narrative Justification and Impact Statement

How contributes to strategic plan:

This step contributes to the agency's strategic plan by assuring that clients have access to quality health care.

Performance Measure Detail

Program: 080

Goal: 10H Assure access to high quality health care

Output Measures

HB1 Average monthly enrollment of children in Medical Assistance programs.

Incremental Changes

<u>FY 1</u>	<u>FY 2</u>
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0	0
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Reason for change:

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Not applicable

Impact on clients and services:

Not applicable

Impact on other state programs:

Not applicable

Relationship to capital budget:

None

Required changes to existing RCW, WAC, contract, or plan:

None

Alternatives explored by agency:

None

Budget impacts in future biennia:

Not applicable

Distinction between one-time and ongoing costs:

Not applicable

Effects of non-funding:

Not applicable

Expenditure Calculations and Assumptions:

<u>Object Detail</u>		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding				
N	Grants, Benefits & Client Services	0	27,000,000	27,000,000

DSHS Source Code Detail

Overall Funding		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State				
<u>Sources</u>	<u>Title</u>			
0011	General Fund State	0	27,000,000	27,000,000
Total for Fund 001-1		0	27,000,000	27,000,000
Total Overall Funding		0	27,000,000	27,000,000